

**Barton Deakin Brief: WA State Budget 2014-15****9 May 2014**

The Western Australian Treasurer, the Hon. Dr Michael Nahan MLA, has delivered the 2014-15 State Budget.

The Budget includes \$23.7 billion on State infrastructure over the next four years. It also features increased spending of \$188 million for education and \$447 million for health.

The Government will deliver an operating surplus of \$175 million in 2014-15.

Net debt is expected to be \$24.9 billion by 30 June 2015, falling by \$2 billion by 2017-18.

The Budget projects economic growth of 2.75 per cent in 2014-15, increasing progressively to 5 per cent by 2017-18.

Unemployment is forecast to remain at 5.5 per cent in the coming year before falling to 4.75 per cent by 2017-18.

There have been no firm decisions taken about asset sales and savings from potential sales or lease arrangements do not form a part of the revenue changes for the current year.

A list of assets that may be considered for sale has been compiled and includes:

- TAB;
- Selected metro hospitals;
- Selected port infrastructure;
- Some electricity assets; and
- Wastewater treatment facilities.

**Budget highlights***Infrastructure*

The Budget includes investments in infrastructure of up to \$23.7 billion over the next four years. This is in addition to the \$35 billion in infrastructure spending by the Coalition Government since it was first elected in 2008.

Major projects include Forrestfield Airport Link (\$2 billion), Perth Stadium (\$1.24 billion), Fiona Stanley Hospital (\$1.8 billion), Perth Children's Hospital (\$1.2 billion), Perth City Link (\$764 million), Elizabeth Quay (\$441 million) and the new Western Australian Museum (\$428 million).

Other new infrastructure projects include:

- \$1.9 billion over four years for new public transport initiatives;



- \$838 million for new road projects;
- \$1.2 billion over four years to deliver new school infrastructure across the State; and
- \$1 billion annually for the Royalties for Regions programme:
  - Projects funded in 2014-15:
    - \$252 million for rural health initiatives
    - \$157 million for community support services
    - \$43 million for aboriginal services
    - \$22.8 million for the Regional Skills and Training Initiative
  - Projects funded over the next five years:
    - \$600 million to be invested in projects in WA's South West, Great Southern, Wheatbelt and Peel regions
    - \$292 million for regional development commissioners
    - \$300 million for agriculture projects

### *Health*

The total allocation for health will surpass \$8 billion, with an additional \$447 million set out in this year's Budget. To 2018, \$1.8 billion will be spent on new hospitals and health related infrastructure.

An extra \$204 million will be spent on hospital services expenditure in 2014-15. \$30.3 million has been allocated for aboriginal health programs.

### *Education*

The government will invest an extra \$188 million in education, an increase of 4.3 per cent.

Expenditure in this portfolio will total \$4.58 billion (\$15,824 per student), growing by a further \$812 million to 2018.

\$1.16 billion will be allocated to education infrastructure in the forward estimates, with 16 new primary schools and three new high schools planned in addition to upgrades to existing schools.

Since it was first elected in 2008, the Coalition Government has increased education spending by 60.1 per cent, or \$1.8 billion.

Key initiatives include:

- \$10 million to accommodate the transition to the new student-centred funding model in 2015;
- Funding for 550 new teachers; and
- \$22 million will be spent on 16 new Child and Parent Centres.

### *Taxation*

In order to reduce WA's debt and increase revenue to the government, reforms outlined in the Budget include:

- Lifting land taxes by 10%, collecting a total of \$334 million in revenue to 2017-18;



- The threshold for which the full exemption on transfer duty for first home buyers purchasing properties sets in will be reduced from \$500,000 to \$430,000, raising \$222 million between this Budget and 2017-18;
- Removing the \$36 car registration discount for private motorists, which will raise a cumulative total of \$189 million to 2017-18;
- Raising the Perth Parking Levy by \$365 over a two year period, which will provide an estimated \$73 million of funding directly for the Perth Busport over the forward estimates; and
- Increasing the landfill levy, collecting \$137 million in revenue to 2017-18.

#### *Other Announcements*

- \$154 million over five years from 2013-14 for growth in mental health hospital activity.
- Additional \$90 million over next four years for child protection services.
- Additional support for tourism, including \$10 million for events and \$4 million for marketing.
- \$60 million assistance package for local government boundary reform, including \$15 million in direct grant assistance to local governments and access to subsidised loans of up to \$45 million.
- \$1.3 billion for the delivery of police services in 2014-15, up \$84 million on 2013-14, and \$25 million over four years for WA Police to replace the existing Computer Aided Dispatch system for triple 0 calls.
- Additional \$85 million over 2013-14 and 2014-15 to replace and reinforce 147,500 wood poles, and a further \$28 million in 2014-15 to replace conductors and overhead wires.

### **Further information**

Further detailed information on the 2014-15 State Budget can be found online:

- [Full transcript of the Treasurer's Budget Speech](#)
- [Budget Overview](#): key economic figures and detailed information on Government initiatives
- Budget Papers: [Volume 1](#) and [Volume 2](#) and the [Economic and Fiscal Outlook](#)
- [Budget media release](#)

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